

Requests monitor to oversee insurance claims and ensure proper compensation

Hauppauge, NY – Today, Rep. Steve Israel (D – Huntington) called on the Consumer Financial Protection Bureau (CFPB) to appoint a Federal Insurance Oversight Monitor to ensure that consumers are not being taken advantage of in states impacted by Hurricane Sandy. The CFPB serves as the federal watchdog for consumer financial products and services.

The full text of the letter is below:

November 2, 2012

Mr. Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Dear Director Cordray:

This week, Hurricane Sandy ripped across the greater New York area and Long Island. In her path, Sandy left devastation and significant damage to homes and businesses across the region. As our communities rebuild, many insurance claims will be submitted and consumers will be relying on these companies for coverage. With that in mind, I respectfully request that the Consumer Financial Protection Bureau (CFPB) appoint a Federal Insurance Oversight Monitor to ensure that consumers are not being taken advantage of in states impacted by Hurricane Sandy. As the federal watchdog of consumer financial products and services work for Americans, I believe this effort falls in line with the CFPB's core mission.

Unfortunately, natural disasters themselves are often followed by scammers, predators and sometimes even legitimate and accredited insurance companies looking to take advantage of people who are in a desperate situation. I ask that the Bureau put a Monitor in place to oversee insurance claims in these states to make certain that people are properly compensated for the policies they have purchased and no unfair practices take place.

Among the core functions of the Consumer Financial Protection Bureau are to restrict unfair, deceptive, or abusive practices for American consumers. As many federal and state agencies work together in the immediate aftermath of Hurricane Sandy, the Consumer Financial Protection Bureau needs to be both a resource for consumers and an ombudsman for state-regulated companies.

In the coming months, millions of people living on the East Coast will be in a vulnerable position as they rebuild their homes, communities and lives. An appointed federal monitor with insurance oversight will offer comfort to those people as they rebuild, and deter the bad actors.

I look forward to your prompt response regarding this matter. If your staff has any questions, please contact Molly Ahearn in my office at 202-225-3335. Thank you.

Sincerely,

Steve Israel
Member of Congress

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